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Cambridge City Council

HOUSING MANAGEMENT BOARD

To: Councillors Blackhurst (Chair), Bird, Brierley, Johnson, Pippas, Pogonowski, Price, Rosenstiel,

Tenant and Leaseholder Representatives Mrs Best, Mr Champion, Mrs Harris, Mr Marais, Ms Minns and Mr Sweeney

Executive Councillor for Housing – Councillor Smart

Despatched: Monday, 11 June 2012

Date: Tuesday, 19 June 2012

Time: 5.30 pm

Venue: Committee Room 1 & 2 - Guildhall

Contact: Martin Whelan

Direct Dial: 01223 457012

AGENDA

1 APOLOGIES

To receive any apologies for absence.

2 DECLARATIONS OF INTEREST

Members are asked to declare at this stage any interests that they may have in an item shown on this agenda. If any member of the Committee is unsure whether or not they should declare an interest on a particular matter, they should seek advice from the Head of Legal Services **before** the meeting.

3 MINUTES *(Pages 1 - 6)*

To approve the minutes of the previous meeting. *(Pages 1 - 6)*

4 PUBLIC QUESTIONS

(See information below).

- 5 APPOINTMENT OF VICE-CHAIR FOR 2012/13**
- 6 TO NOMINATE THREE TENANTS/LEASEHOLDERS' REPRESENTATIVES TO COMMUNITY SERVICES SCRUTINY COMMITTEE FOR MUNICIPAL YEAR 2012/13**
- Items for Debate by the Committee and then Decision by the Executive Councillor**
- 7 COUNCIL NEW BUILD HOUSING PROGRAMME - IMPACT ON EXISTING RESIDENTS** *(Pages 7 - 12)*
- 8 REVIEW OF COUNCIL GARAGES ACROSS THE CITY** *(Pages 13 - 24)*
- 9 2011/12 REVENUE AND CAPITAL OUTTURN, CARRY FORWARDS AND SIGNIFICANT VARIANCES - HOUSING PORTFOLIO** *(Pages 25 - 34)*
- 10 TENDER FOR OFF-SITE HOUSING CASH COLLECTION SERVICES** *(Pages 35 - 38)*
- 11 TENANCY POLICY** *(Pages 39 - 56)*
- 12 SUPPORTING PEOPLE TENDER** *(Pages 57 - 60)*

Information for the Public

QR Codes
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Location The meeting is in the Guildhall on the Market Square (CB2 3QJ).

Between 9 a.m. and 5 p.m. the building is accessible via Peas Hill, Guildhall Street and the Market Square entrances.

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Most meetings have an opportunity for members of the public to ask questions or make statements.

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- For questions and/or statements regarding items on the published agenda, the deadline is the start of the meeting.
- For questions and/or statements regarding items NOT on the published agenda, the deadline is 10 a.m. the day before the meeting.

Speaking on Planning Applications or

Licensing Hearings is subject to other rules. Guidance for speaking on these issues can be obtained from Democratic Services on 01223 457013 or democratic.services@cambridge.gov.uk or on-line:

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Adapted toilets are available on the ground and first floor.

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HOUSING MANAGEMENT BOARD

6 March 2012

5.30 - 6.15 pm

Present:**Executive Councillor for Housing:** Catherine Smart**Councillors:** Blackhurst (Vice-Chair), Bird, Blencowe, Brierley, Todd-Jones, Rosenstiel, Stuart and Znajek**Tenant/Leaseholder Representatives:** Diane Best (Chair), Kay Harris, Brian Haywood, John Marais and Terry Sweeney**Officers:** Liz Bisset (Director of Customer & Community Services), Robert Hollingsworth (Head of City Homes), Sandra Farmer (Area Housing Manager), Marella Hoffman (Resident Involvement Manager) and Martin Whelan (Committee Manager)**Also Present:** Stan Best (Housing Regulation Panel Chair) and representatives of the Housing Regulation Panel.**FOR THE INFORMATION OF THE COUNCIL**

Prior to the formal start of the meeting the Chair thanked all members and officers for their support over the last 12 months, and welcomed members of the Housing Regulation Panel to the meeting.

12/13/HMB Apologies

Apologies were received from Cllr Price. Cllr Todd-Jones attended as an alternate.

12/14/HMB Declarations of Interest

None.

12/15/HMB Minutes

The minutes of the previous meeting were approved.

12/16/HMB Public Questions

None.

12/17/HMB Report on residents' co-regulation, introducing a Progress Report from the Housing Regulation Panel to the Housing Management Board

Matter for Decision:

To consider the report of the Housing Regulation Panel.

Decision of the Executive Council for Housing:

The Executive Councillor resolved to:

- i. Congratulate the residents' Housing Regulation Panel on their first year of activity.
- ii. Continue to support residents' co-regulation and the constructive challenge provided by the Housing Regulation Panel.

Reason for the Decision:

As per the Officer's report.

Any Alternative Options Considered and Rejected:

Not applicable

Scrutiny Considerations

The Director of Customer and Community Services explained that the meeting was focussed on a single item, and that the report reflected the strong and important role played by tenants and leaseholders in Cambridge. The Director

also explained that the meeting was also the last for Brian Haywood, and wished to thank him for his contribution over the years.

The committee received a report from the Housing Regulation Panel regarding its work. Prior to the presentation from the Chair of the Housing Regulation Panel, the Principal Tenant Participation Officer outlined the framework in which the panel operated, and the issues associated with the work of the panel.

Clarification was requested on the current number of members and whether this was sufficient for the panel to manage its work. The Chair of the Panel explained that there were currently six members, and it was intended to have between 6 and 9 members with rotation of members every couple of years. The Head of City Homes explained the structure supporting the work of the Housing Regulation Panel.

The committee agreed that it was important to have a strong independent tenant role in the regulation of housing services, and for tenants to be able to “place a mirror” against services provided. The Chair of the Panel welcomed the feedback and explained the rationale used by the panel, namely:

- Is the service being provided in accordance with the service agreement?
- Is the service being provided consistently across the city?
- Does the service provide value for money?

The important work of the panel was welcomed and it was agreed that the panel could only provide this role with the strong support of officers.

The commitment of the existing members and the time committed to the process over the last 12 months was welcomed, but it was questioned whether any consideration had been given to the sustainability of the arrangements in the long term. The Principal Tenant Participation Officer highlighted the structure in appendix 5, and the strategies designed to nurture talent. The Director of Customer and Community Services explained that the work undertaken provided a different perspective to the provision of services, but that it didn't replace work undertaken by professional staff.

With the re-emergence of the housing forum, it was suggested that there may be an opportunity to promote the work of the panel. The Chair of the Panel

welcomed the suggestion but emphasised that the panel must be seen and continue to be seen as independent.

In response to questions from members, the Chair of the Panel explained the scoring system used by members of the panel when assessing services.

The committee thanked members of the panel for their commitment and important work.

Councillor Rosenstiel proposed an amendment to the recommendations to change recommendation 2.1 to “congratulate” the panel for its work.

The committee approved the amended recommendations unanimously.

The Executive Councillor approved the recommendations and congratulated the panel for its work and the vital role played by tenants in the regulation of housing services. The Executive Councillor thanked all members of the Panel, and thanked the members of the Housing Management Board who were not standing for re-election. The Executive Councillor paid tribute to the work undertaken by Brian Haywood, and highlighted his significant contribution to the tenant movement in the city, particularly his time as the first tenant Chair of Housing Management Board.

Terry Sweeney paid tribute to Brian Haywood and highlighted the progress of the tenant movement over the last 10 years in the city. Terry also highlighted the previous contributions of Brian, including chairing the Cambridge Federation in its early stages. A presentation was made to Brian.

Brian thanked the committee and officers for their support over the last 10 plus years, and welcomed the significant distance travelled by the tenant movement. Councillors and Officers were thanked for welcoming and integrating the tenants and leaseholders into the design-making processes of the council.

Brian also stated that the Council was the “best ever” and thanked officers and councillors, particularly the Executive Councillor, for their support.

The meeting ended at 6.15 pm

CHAIR

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To: Executive Councillor for Housing (and Deputy Leader): Councillor Catherine Smart
Report by: Alan Carter
Relevant scrutiny committee: Housing Management Board 19/6/2012
Wards affected: All Wards

COUNCIL NEW BUILD HOUSING PROGRAMME - IMPACT ON EXISTING RESIDENTS
Not a Key Decision

1. Executive summary

The Council has taken the opportunity to establish a new Council house building programme. Eight new homes have been completed to-date and funding has secured from the Homes and Communities Agency to build another 146 by the end of March 2015. The City Homes Business Plan 2012 to 2042 indicates the financial potential to provide a further 500 new homes over the next ten to fifteen years. In some cases the new build programme involves the demolition of existing housing.

A number of reports have been produced and considered mainly by the Community Services Scrutiny Committee to achieve the necessary approvals to implement the Council house building programme. The reports included approval of a Home Loss Policy that sets out the Council's approach to recompensing residents, both tenants and leaseholders, who will be required to move out of their home to allow the new build programme to happen.

This report does not repeat the detail of previous reports but concentrates on the impact on the residents who are required to move.

2. Recommendations

The Executive Councillor is recommended:

To note the approach taken to re-house residents' whose current homes are to be demolished under the Council New Build Housing Programme

3. Background

The 3 Year Rolling Programme and Consultation

The Council has established a 3 Year Rolling Programme of sites that it wishes the feasibility and viability to be assessed for development for new Council housing or redevelopment where there is existing housing. A report is taken to Community Services Scrutiny Committee every year to report on the feasibility and viability for development of sites in the 3 Year Rolling Programme and to request that approval be given to investigate new sites.

When a new site added to the 3 Year Rolling Programme includes existing homes, all existing residents are written to immediately and officer contact details are provided for further information. If it is anticipated that existing residents affected may be vulnerable in any way then letters are hand delivered by officers to provide an immediate opportunity to discuss the matter.

If a site does not contain existing housing but has housing adjacent that may be directly impacted by any new development, a letter may be sent to the residents but this is managed at officer discretion. In other cases the feasibility of redeveloping of a garage block may be being looked at. In this case the tenants of the garages will be written to.

In most cases the assessment of the feasibility and viability of development or redevelopment of a site is a 'desk-top' exercise involving the examination of site condition; access issues; planning policy; costs of site clearance and construction etc. Occasionally an early consultation meeting may be set up if there are particular issues that impact on the development of a site. A recent example is where a community consultation meeting was held in relation to the St Matthews Street Garages site.

Specific Scheme Approval

Once officers have assessed that it is feasible and viable to develop or redevelop a site then specific approval to proceed with a scheme is requested from the Executive Councillor for Housing following consideration of a report by the Community Services Scrutiny Committee.

Immediately following specific approval by the Executive Councillor for Housing and where there is existing housing on the site, letters will be hand delivered to the residents. The letters will include details of the decision and will provide information on the how residents will be supported to secure alternative accommodation and their entitlement to compensation under the Home Loss Policy. If the resident is at home when the letter is hand delivered they will be invited to discuss the content of the letter there and

then. If the resident is not at home, officer contact details are shown in the letter.

For example, four housing officers were involved in delivering letters to the residents at the flats in Latimer Close that have been approved for redevelopment in early October 2011. Four residents were at home and officers had the chance to talk through the details in the letter with these people. All bar one of the other residents made contact quickly following the delivery of the letters. One tenant has not responded to any requests for contact and is believed not to be living at the address any more. Notice of Seeking Possession is to be served. To-date nine of the remaining fifteen tenants have been rehoused and the remainder are actively bidding for housing that becomes available, some directly themselves and others with the support of a housing officer. There are four leaseholders, one resident and three non-resident, and all have engaged with a view to the Council being given vacant possession by the end of October 2012.

It should be noted that the above does not remove the formal requirement to consult local residents as part of the planning process.

Re-housing Options and Rents

As tenants are being required to move-on from their existing homes they are provided a Band A status under Home-Link. However, in all other respects the Lettings Policy conditions apply eg a single person will not be able to bid for a three bedroom house. In all cases to-date at Latimer Close tenants have moved to alternative one bedroom flats with City Homes apart from one tenant who has a child and has been re-housed in a two bedroom house. The opportunity to move back to the site once it has been redeveloped is offered to residents but to-date at Latimer Close, for example, no-one has exercised that option. Where residents want to move back they are clearly informed that under the Home Loss Policy they are not entitled to Home Loss Payment (currently £4,700) but are entitled to Disturbance Payments to cover both moves (Disturbance Payments can vary depending on the circumstances of individual resident and the type of property they are moving to and from. For example, Disturbance Payments can cover the cost of re-carpeting the new home if this is a reasonable request. The cost of this will depend on the size of the new home and the extent of the carpeting required).

If a tenant transfers to another City Homes property they will pay the social rent for that property. If a tenant exercises the option to move back to property on the redeveloped site they will pay the new Affordable Rent for that property.

Where a leaseholder is resident in the property that is to be redeveloped advice is given on how they may secure alternative housing for sale (Home Loss Payment is 110% of market value for resident leaseholders and 107.5% for non-resident leaseholders). At Latimer Close for example, as the market value of the flats are relatively low, advice has been provided on shared ownership as an alternative. In cases where resident leaseholders can demonstrate that they cannot access alternative market housing they will be eligible to register on Home-link for alternative rented housing.

Non-resident leaseholders are not supported to secure alternative housing options although they are entitled to have their reasonable costs covered in securing an alternative 'investment' property.

Tenants of non-resident leaseholders are offered the same advice as other tenants living in the private rented sector whose tenancies are coming to an end.

Right to Buy

Under the Right to Buy regulations the Council is able to issue an 'Initial Demolition Notice' at any time if a property is being considered for redevelopment. Once such a notice is issued, the Council is not obliged to complete any Right to Buy sale. To-date this has not been an issue but it has recently been agreed at officer level that it would be an appropriate procedure to issue Initial Demolition Notices once scheme specific approval has been given to redevelop a site.

4. Implications

(a) Financial Implications

There are no direct financial implications in respect of the content of this report that has not been covered by previous reports considered by Committees.

(b) Staffing Implications

Staff capacity to manage the consultations outlined in the report and to support residents to secure alternative housing will need to be monitored as and when schemes are brought forward. To-date these are being managed within existing staffing levels.

(c) Equal Opportunities Implications

In undertaking an Equality and Diversity Impact Assessment in respect of the Home Loss Policy it was recognised that individual tenants and leaseholders will require different degrees of support to move. In particular

- Older people
- Tenants with physical and/or learning impairment
- Tenants for whom English is not their first language

In respect of the Council new build programme in general, it is recognised that as the Council owns the land this provides a better opportunity to meet the needs of some people who have more specific housing and support needs that may be harder to meet on s106 sites.

(d) **Environmental Implications**

There are no direct environmental implications in respect of the content of this report that has not been covered by previous reports considered by Committees. It should be noted however that the residents of the new housing on the sites that are to be redeveloped will benefit from lower fuel bills as the new homes will have high standards of thermal insulation and efficient heating and hot water systems.

(e) **Consultation**

Please see the main body of the report.

(f) **Community Safety**

There are no direct community safety implications in respect of the content of this report that has not been covered by previous reports considered by Committees.

5. Background papers

Home Loss Policy

6. Appendices

None

7. Inspection of papers

To inspect the background papers or if you have a query on the report please contact:

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To: Executive Councillor for Housing (and Deputy Leader): Councillor Catherine Smart
Report by: Sandra Farmer
Relevant scrutiny committee: Housing Management Board 19/6/2012
Wards affected: All Wards

REVIEW OF GARAGES ACROSS THE CITY Not a Key Decision

1. Executive summary

- 1.1 This report sets out the current position and issues regarding Council garages in the City. It proposes an improvement plan for dealing with the issues and makes recommendations for differential charges for popular City centre garage sites.
- 1.2 Key priorities identified are as follows:
- a) Review charging mechanism for garages
 - b) Identify garage sites where there is low demand or where investment requirements mean that retention of the garage site is not financially viable.
 - c) Use proceeds of sales of garage sites to fund improvement programmes to improve the quality of garage sites for which there is a continuing demand.
 - d) Identify garage sites where alternative use can facilitate the Council's broader parking initiatives and regeneration programmes.
 - e) Carry out appraisals on garage sites to inform the improvement plan.

2. Recommendations

The Executive Councillor is recommended:

- 2.1 To agree the principles underpinning the Improvement Plan.
- 2.2 To approve the development of the Improvement Plan in context with the HRA Business Plan.
- 2.3 To agree in principle the implementation of differential charges for popular City centre garage sites.

3. Background

- 3.1 The Council has a large stock of garages with a potential annual income of £807,781 to the Housing Revenue Account (HRA) if all were let.
- 3.2 The stock consists of 1859 garages and 7 chargeable parking spaces. In some wards there is a surplus of garages compared to demand.
- 3.3 At the time of writing this report 1416 garages are occupied and 450 are currently empty.
- 3.4 Almost a quarter of the available stock of rented garages remains vacant. The reasons for lack of demand:
- Lack of security
 - Garage too small for a modern day car
 - Condition of garage
 - Current economic situation
 - Proximity of garages to home address
- 3.5 Garage refurbishments have taken place to address high voids due to security and condition of garages. For example, East Road garages where the refurbishment has significantly improved residents views of the large block of garages.
- 3.6 To help promote garages a new interactive web site has been launched for the South of the City. Customers are now able to view garage sites via an interactive map. If successful, this will be launched for garage sites in the North of the City.
- 3.7 The following garage sites have been identified for consideration for development on the 3 year affordable homes programme

North of the City

- Atkins Close
- Cadwin Fields
- Cameron Road
- Markham Close
- Northfield Avenue
- Uphall Road
- Wiles Close
- Hawkins Road (blocks 1-20 and 81-91 and 301-326)

South of the City

- Gunhill Way
- St Matthews Street
- Garages adjacent 9 and 10a Ventress Close

4.0 What are the current issues?

- 4.1 A high number of the Council's garage sites are not in demand, as they do not meet current residents expectations. Reasons are outlined in 3.5 above.

- 4.2 The provision of affordable housing is identified as a key Council priority. Some garage sites occupy prime land that could be redeveloped for housing or provide opportunities for the Council to realise capital receipts.
- 4.3 In areas where there is continuing or potential demand for garages funding will need to be prioritised to make improvements and provide security measures.
- 4.4 Examples of low demand garage sites are shown in appendices 1 and 2.
- 4.5 Where low demand sites do not meet current residents expectations decisions will have to be made in terms of long-term viability of these sites including the possible demolition of garages and the use of land for other purposes.
- 4.6 In determining improvements for the future, consideration needs to be given to the following:
- The need to make best use of the land.
 - The need to take account of current/expected demand.
 - An appropriate pricing/investment policy.
- 4.7 Whilst improvements have been made over the past few years there is a need for an updated improvement plan (App.3) to continue the progress made.
- 4.8 The main principles underpinning the improvement plan are:
- Reduce the number of garage voids to below 10%
 - Improve the satisfaction levels for our existing garage tenants.
 - Improve the security and condition of the garage stock.
 - Rental charges are fair and equitable.
 - Reduce on-road parking by creating additional off road parking spaces. Where possible.
 - Make effective use of Council land by possible disposal of garage sites where there is low demand or where investment requirements mean that retention is not financially viable.
 - Continue to identify garage sites where alternative use can facilitate the Council's broader parking initiatives and regeneration programmes.
 - Allocate funding on identified poor condition and/or high demand garage block locations throughout the City.
- 4.9 Initial appraisals have been completed for each of the garage sites across the City. These appraisals have identified works required to refurbish garage sites and will be used to prioritise sites for refurbishment as part of the Improvement Plan (App.3).
- 4.10 Garage sites that are considered a priority in the initial appraisal will have a detailed appraisal completed. The detailed appraisal will consider issues of community sustainability, demand, voids rate, vandalism, anti social behaviour, fly tipping, availability of parking generally and any other factor individual to a specific site. The options for the future of non-viable sites will include retention (eg for community sustainability reasons), new council housing, demolition, parking areas, open space and disposal.

4.11 Proceeds of sales of garage sites will fund improvement programmes to improve the quality of garage sites where there is a continuing demand.

5.0 Review of Charging

5.1 Changes to the policy of charging will be reviewed in the January budget making report. Two areas are whether charges to non-tenants should be higher than Council tenants and whether we charge a higher rate for popular City centre garages.

5.2 The current basic garage rent ranges from £3.74 (parking space) to £16.99 per week. See table below:

Examples of ranges of weekly rent	
Leete Road parking space	£3.74 per week
Parking spaces in Bermuda Road	£6.93 per week
1462 actual garages	£8.92 per week
Garages in Bermuda Road and Hooper Street	£16.99 per week

5.3 Benchmarking the Council's garage rental charges against other Councils (see table below), reveals that the current garage rent in Cambridge is similar to these authorities. However, the pricing structure demonstrates a higher charge for non-Council tenants, and in Norwich City non-City resident are charged an even higher weekly charge.

Authority	Council Tenants	Non Council Tenants	VAT	Non-City Resident	Vat
South Cambs	Standard Garage £7.78	£10.74	£2.15	£10.74	£2.15
Oxford City Council	Standard Garage £11.80	£11.80	£2.36	£11.80	£2.36
Norwich City Council	High demand garage: £8.38	£12.00	£2.40	£19.54	£3.91
	Normal demand garages: £8.38	£10.90	£2.18	£19.54	£3.91
	Low demand garages: £6.03	£6.75	£1.35	£7.54	£1.51
	Parking bay: £4.32	£8.72	£1.74	£10.90	£2.18
Stevenage	Standard garage: £9.11	£9.11	£1.82	£9.11	£1.82
	Premium garage: £9.62	£9.62	£1.92	£9.62	£1.92

5.4 Approximately 62% of the garages let in Cambridge are currently let to non-council tenants. Adopting a differential pricing structure similar to Norwich would generate additional income for the Housing Revenue Account. For example, a

10% increase in the garage rental price to non-council tenants would generate an additional £38,790 per annum, assuming that demand did not fall as a result of the price increase.

6. Implications

(a) Financial Implications

The recently approved HRA 30-Year Business Plan and Asset Management Plan included increased funding to allow investment of £300,000 per annum to improve and maintain garage blocks between 2012/13 and 2016/17. The increased level of investment is anticipated to allow rectification of the investment needs identified in a garage survey undertaken in a prior year. From 2017/18 the annual capital allocation will return to £100,000, allowing the improved condition of garages to be maintained on an ongoing basis.

Any recommendation for the disposal of a garage site for either open market sale or re-development will require a scheme appraisal to determine the potential financial implications of any proposal for decision.

(b) Equal Opportunities Implications

This improvement plan will consider look at parking issues for disabled residents.

7. Appendices

Appendices 1: North garage sites sample

Appendices 2: South garage sites sample

Appendices 3: Proposed Garage Improvement Plan

8. Inspection of papers

To inspect the background papers or if you have a query on the report please contact:

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Author's Phone Number: 01223 - 458312
Author's Email: sandra.farmer@cambridge.gov.uk

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Cambridge City Council Garage Improvement Plan

Objective	Activity	Measure and Outcomes	Resources	Lead	Deadline	Comment
Reduce void levels to maximise income	<p>Aim to reduce garage voids to below 10% by:</p> <ul style="list-style-type: none"> • Mail shots to properties within the locality • When letting a property place information on available garages within the letting pack • Enquire whether garages could be advertised in the HomeLink magazine • Continue to highlight redevelopment of some garage sites. • Demolition • Review Garage and Hardstanding Strategy <p>NB It should be noted that some garage sites will remain as low demand</p>	<ul style="list-style-type: none"> • To achieve an efficient and value for money service in relation to our assets and their future use. 	Within existing	Area Housing Manager	November 2012	
Continue to rationalise existing stock of garages and hard standings	<ol style="list-style-type: none"> 1. Review charging mechanism for garages and hard standings 2. Implement differential charges for popular City centre garage sites. 	<ul style="list-style-type: none"> • To generate income and make the garages and hard 	Within existing	Area Housing Manager	November 2012	

		<p>standings more cost effective.</p> <ul style="list-style-type: none"> • Achieve best value 				
Improve service quality	1. Review long term future use of hard-to-let sites	<ul style="list-style-type: none"> • To reduce high level of long term voids • Identify budget for demolition 	Within existing	Area Housing Manager	March 2013	
	1. To continue to identify and dispose of garage sites where there is low demand or where investment requirements mean that retention is not financially viable.	<ul style="list-style-type: none"> • Resolving parking difficulties within individual estates, by possibly increasing more open parking facilities. 	Within existing	Area Housing Manager	Ongoing	

SOUTH GARAGE SITES SAMPLE
244 voids as at 8/5/12

Garage site	No. of voids	Solution
St Thomas Road Coleridge Ward (Total of 58 garages)	13	Refurbish Advertise Leaflet drop
Colville Road Cherry Hinton Ward (Total of 30 garages)	7	Advertise Leaflet drop
St Matthews Street Market Ward (Total of 82 garages)	26	Potential redevelopment site
East Road Market Ward (Total of 125 garages)	36	- Already refurbished – use to relocate tenants using St Matthews Street garages. - Possible commuter parking at enhanced rents
Ekin Road Abbey Ward (Total of 35 garages)	11	Refurbish Advertise Leaflet drop
Fulbourn Road Cherry Hinton Ward (Total of 32 garages)	15	Advertise Leaflet drop maybe potential redevelopment site
Gunhild Court Queens ediths Ward (Total of 37 garages)	9	- Repair and advertise - Possible commuter parking for Addenbrookes at enhanced rents.
Newtown (ie Hanover and Princes Court) Trumpington Ward (Total of 134 garages)	30	Refurbubish Advertise Leaflet drop
Paget Road Abbey Ward (Total of 34 garages)	8	Refurbish Advertise Leaflet drop
Peveler Road Abbey ward (Total of 26 garages)	8	Refurbish Advertise Leaflet drop
Welstead Road Cherry Hinton Ward (Total of 25 garages)	11	Refurbish Advertise Leaflet drop
<p>244 voids in the South. 41 garages less after garage sites are redeveloped for homes.</p>		

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**NORTH GARAGE SITES SAMPLE
188 voids as at 8/5/12**

<i>Garage site</i>	<i>No of voids</i>	<i>Solution</i>
Hawkins Road 301 – 326	11	Repair and advertise however maybe potential redevelopment site
Hawkins Road 501 – 507 & 522 - 528	3	Repair and advertise
Hawkins Road 1 – 20 & 81 – 91	19	Potential redevelopment site
Crowland Way 1 – 41	7	Already refurbished - advertise
Crowland Way 42 – 77	9	Already refurbished - advertise
Crowland Way 78 – 113	15	Advertise
Kingsway 1 - 70	15	Advertise
Wiles 1 – 48	11	Advertise
Larkin Close 1 – 31	10	Advertise
Atkins Close 1 - 14	4	Potential redevelopment site

**188 void garages in the North.
After garage sites are redeveloped for homes there will be 40 less
garages.**

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To Executive Councillor for Housing And Deputy Leader: Councillor Catherine Smart
Report Director of Customer and Community Services
by Director of Resources
Relevant Scrutiny Housing Management Board 19 June 2012
Committee

2011/12 Revenue Outturn, Carry Forwards and Significant Variances

Key Decision

1. Executive Summary

- 1.1 This report presents a summary of the 2011/12 outturn position (actual income and expenditure) for services within the Housing Revenue Account, compared to the current budget for the year. The position for revenue is reported and variances from budgets are highlighted, together with explanations. Requests to carry forward funding arising from certain budget underspends into 2012/13 are identified.
- 1.2 The position in relation to the Housing Capital Investment Plan will be reported to the Community Services Scrutiny Committee.

2. Recommendations

The Executive Councillor is recommended:

- a) To agree that the carry forward requests, totalling £1,853,280 as detailed in Appendix C, are to be recommended to Council for approval.

3. Background

Revenue Outturn

- 3.1 The final outturn position for the Housing Revenue Account, compared to revised and current revenue budget, is presented in detail in Appendix A.

- 3.2 Appendix B to this report provides explanations of the main variances.
- 3.3 Appendix C sets out the final list of items, for the Housing Revenue Account, for which approval is sought to carry forward unspent budget from 2011/12 to the next financial year, 2012/13.
- 3.4 The overall revenue budget outturn position for the Housing Revenue Account, is set out in the table below:

Housing Revenue Account 2011/12 Total (Surplus) / Deficit	£
Final Budget (Deficit - Use of Reserves)	1,129,730
Outturn (Surplus - Contribution to Reserves)	(1,285,411)
Variation – (Under) / Overspend for the year	(2,415,141)
Carry Forward Requests:	1,853,280
Net Variance	(561,861)

- 3.5 The net variance of (£561,861) on the overall Housing Revenue Account, before allowing for carry forwards, comprises a 3.39% variance in expenditure and a 0.02% variance in income. After allowing for carry forwards, the outturn position will comprise a 1.46% variance in expenditure and a 0.02% variance in income.

4. Implications

- 4.1 The net variance from final budget, after approvals to carry forward £1,853,280 budget from the current year into 2012/13, will result in a reduction in the use of Housing Revenue Account reserves, from £1,129,730 to £567,869.
- 4.2 In relation to requests to carry forward revenue budgets into 2012/13 the decisions made may have a number of implications. A decision not to approve a carry forward request will impact on officers' ability to deliver the service or scheme in question and this could have staffing, equal opportunities, environmental and / or community safety implications.

5. Background Papers

These background papers were used in the preparation of this report:

- Closedown Working Files 2011/12
- Directors Variance Explanations – March 2012
- Budgetary Control Reports to 31 March 2012

6. Appendices

- Appendix A - Revenue Budget 2011/12 - Outturn
- Appendix B - Revenue Budget 2011/12 - Major Variances from Final Revenue Budgets
- Appendix C - Revenue Budget 2011/12 - Carry Forward Requests

7. Inspection of papers

To inspect the background papers or if you have a query on the report please contact:

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<O:\accounts\Committee Reports & Papers\Housing Management Board\2012 June\Draft\HMB Final Outturn 2011-12 Report.doc>

Housing Management Board - Housing Revenue Account

Revenue Budget 2011/12 - Final Outturn

Service Grouping	Original Budget £'s	Final Budget £'s	Outturn £'s	Variation Increase/ (Decrease) £'s	Carry Forward Requests - see Appendix C £'s	Net Variance £'s
EXPENDITURE						
Supervision & Management (General)	5,072,900	4,506,110	4,027,695	(478,415)	27,120	(451,295)
Supervision & Management (Special)	1,944,810	2,531,660	2,353,893	(177,767)	11,200	(166,567)
Repairs & Maintenance	6,032,750	6,666,450	5,989,734	(676,716)	666,170	(10,546)
Reflection of the Current Cost of Pensions (as required under FRS 17)	0	0	0	0	0	0
Negative Subsidy (incl. Rent Rebate Subsidy Limitation)	13,004,400	12,899,030	12,902,985	3,955	0	3,955
Depreciation	7,406,570	9,275,790	9,275,790	0	0	0
Other Expenditure	335,970	550,890	643,742	92,852	0	92,852
Total Expenditure	33,797,400	36,429,930	35,193,839	(1,236,091)	704,490	(531,601)
INCOME						
Dwelling Rents	(30,327,050)	(30,400,530)	(30,383,969)	16,561	0	16,561
Garage Rents	(631,750)	(610,500)	(603,589)	6,911	0	6,911
Other Land and Premises Rents	(523,540)	(523,540)	(506,298)	17,242	0	17,242
Service Charges	(1,939,120)	(2,272,600)	(2,279,190)	(6,590)	0	(6,590)
De-Minimus Capital Receipts	(3,000)	(3,000)	(7,824)	(4,824)	0	(4,824)
Contributions towards Expenditure	(350,940)	(674,090)	(692,611)	(18,521)	0	(18,521)
Other Income (RTB Capitalisation)	(25,000)	(25,000)	(44,378)	(19,378)	0	(19,378)
Total Income	(33,800,400)	(34,509,260)	(34,517,859)	(8,599)	0	(8,599)
Net Cost of Services	(3,000)	1,920,670	675,980	(1,244,690)	704,490	(540,200)
Loan Interest	6,480	86,910	91,028	4,118	0	4,118
Early Debt Redemption Premium	345,640	345,640	345,644	4	0	4
Interest Receivable (Mortgage Interest)	(780)	(510)	(465)	45	0	45
Interest Receivable (Interest on Balances)	(37,650)	(38,170)	(63,991)	(25,821)	0	(25,821)
Net Operating Expenditure	310,690	2,314,540	1,048,196	(1,266,344)	704,490	(561,854)
Appropriations						
Depreciation Adjustment (MRA)	(2,287,340)	(4,156,560)	(4,156,558)	2	0	2
Adjustment to reflect the Current Cost of Pensions (as required under FRS 17)	0	0	0	0	0	0
Direct Revenue Financing of Capital	2,020,750	2,971,750	1,822,951	(1,148,799)	1,148,790	(9)
(Surplus) / Deficit for year	44,100	1,129,730	(1,285,411)	(2,415,141)	1,853,280	(561,861)
(Surplus) / Deficit b/f	(5,688,633)	(5,688,633)	(5,688,633)			
Balance Carried Forward	(5,644,533)	(4,558,903)	(6,974,044)	0	0	0

Changes between original and final budgets may be made to reflect:

- portfolio and departmental restructuring
- approved budget carry forwards from the previous financial year
- technical adjustments, including changes to the capital accounting regime
- virements approved under the Council's constitution
- additional external revenue funding not originally budgeted for

and are detailed and approved:

- in the June committee cycle (outturn reporting and carry forward requests)
- in September (as part of the Medium Term Strategy (MTS))
- in the January committee cycle (as part of the budget setting report)
- and via technical adjustments/virements throughout the year

Housing Management Board - Housing Revenue Account

Revenue Budget 2011/12 - Major Variances from Final Revenue Budgets

Service Grouping	Reason for Variance	Amount £
Supervision and Management (General)		
Departmental Overheads	Employee costs underspent as a direct result of vacancies held for the support service review (£40k), HRA self-financing delivered with less resource than approved (£56k), maternity, training, general consultancy and departmental office costs underspent (£76k), consultancy budget for abortive development fees not utilised in 2011/12 (£30k).	(201,832)
City Homes	Office running costs, IT, and consultants fees underspent. Under-occupation scheme not yet fully spent for 2011/12, with carry forward of remaining resource requested.	(67,072)
Tenant Participation / Resident Involvement	Funding previously awarded to the Cambridge Federation, was not fully utilised in 2011/12, while review of future requirements was undertaken.	(64,916)
City Homes Overheads	Internal legal recharges and IT recharges in respect of Serco were less than budgeted, with costs based on actual activity recorded by Legal Services and IT contract activity.	(50,320)
Computer Services	Underspending in housing IT support costs, predominantly due to terminating support for obsolete applications and negotiated reduced costs for the recently upgraded product. Underspending in IT links to remote offices, with review of future requirements being undertaken during 2012/13.	(43,269)
Strategic Housing (HRA) Overheads	Internal legal recharges and IT recharges in respect of Serco were less than budgeted, with costs based on actual activity recorded by Legal Services and IT contract activity.	(24,580)
Anti-Social Behaviour	Legal costs less than anticipated, with fewer cases requiring external legal input than in previous years. Spend in this area is dependent upon the complexity of cases being taken through the court process.	(22,876)
	Minor Variations	(3,550)
	Total	(478,415)
Supervision and Management (Special)		
Temporary Accommodation	Income achieved in respect of the provision of B&B services to the Housing General Fund, where an initiative introduced as a pilot in 2011/12 is working well, with the need to establish an income budget for future years.. Underspending in building maintenance and electricity costs.	(41,774)

Housing Management Board - Housing Revenue Account

Revenue Budget 2011/12 - Major Variances from Final Revenue Budgets

Service Grouping	Reason for Variance	Amount £
Estate Management	Underspending in estate management costs in general and in the cost of electricity specifically.	(37,256)
Brandon and Seymour Court	Scheme budgets not fully utilised in 2011/12, with schemes either undergoing major refurbishment or having been decanted for demolition and redevelopment.	(47,730)
Floating Support	Underspending in employee and operational costs as a direct result of the transfer of support services to a new provider. Cessation of the delivery of the service in house has also resulted in the return of R&R fund balances to the cost centre in 2011/12.	(41,222)
General Sheltered Schemes	Underspending in utilities costs across a number of sheltered schemes in 2011/12.	(21,800)
Independent Living Services Management	Underspending in employee costs due to a combination of vacancies and long-term absence within the team. A carry forward of resource approved to secure external support in the preparation of support tenders is required to be carried forward into 2012/13.	(20,459)
Estate Caretaking	Overspending in employee costs due to the unanticipated costs of covering staff vacancies, staff joining the pension scheme with an element of backdated entitlement and the cost of an additional 7 hours of cleaning per week at Ekin Road which was omitted from the budget.	16,774
Emergency Alarms	Overspending in the maintenance of tools and equipment, combined with an under-achievement in emergency alarm income.	14,258
	Minor Variations	1,442
	Total	(177,767)

Appendix B

Housing Management Board - Housing Revenue Account

Revenue Budget 2011/12 - Major Variances from Final Revenue Budgets

Service Grouping	Reason for Variance	Amount £
<i>Repairs and Maintenance</i>		
Planned Repairs	PTR programme not delivered as anticipated in 2011/12 as a result of the change over between planned maintenance contractors. Work is anticipated to be undertaken in the early part of 2012/13, with a carry forward of resource required.	(468,172)
Void Repairs	Work to void properties was less than anticipated in 2011/12 as a direct result of a reduction in the number of void and re-let dwellings during the year in comparison to 2010/11.	(153,718)
Citywide Schemes	An overspend in the costs of the gas maintenance contract has been more than offset by underspending in electrical testing, lift inspections and fire safety risk assessments.	(88,635)
Repairs & Maintenance Overheads	Internal legal recharges were greater than budgeted, with costs based on actual activity recorded by Legal Services. The cost of work associated with the procurement of a planned maintenance partner will have contributed to an increase in the costs for 2011/12.	32,970
	Minor Variations	839
	Total	(676,716)
<i>HRA Subsidy and Other Expenditure</i>		
Bad Debt Provision	The contribution to the HRA Bad Debt Provision was greater than budgeted in 2011/12 due predominantly to the level of former tenant arrears at 31/3/2012.	66,863
Council Tax for Void Properties	The cost of Council Tax for void properties was greater than anticipated due to the decant of properties for demolition or redevelopment, where tax is due until the scheme is fully empty and de-commissioned.	25,194
	Minor Variations	4,750
	Total	96,807

Housing Management Board - Housing Revenue Account

Revenue Budget 2011/12 - Major Variances from Final Revenue Budgets

Service Grouping	Reason for Variance	Amount £
<i>HRA Income and Other</i>		
	Minor Variations	(8,599)
	Total	(8,599)
<i>HRA Interest, Premiums and Appropriations</i>		
Direct Revenue Funding of Capital Expenditure (DRF)	The call of revenue funding for capital expenditure was less than anticipated during 2011/12 due to the introduction of a new planned maintenance partner from mid July 2012, with the first year of contract works anticipated to span two financial years.	(1,148,799)
Interest on HRA Balances	Interest earned on HRA balances was greater than anticipated for 2011/12 due to a combination of an increase in interest rates and higher balances as a result of underspending.	(25,821)
	Minor Variations	4,169
	Total	(1,170,451)
Total for Housing Revenue Account		(2,415,141)

Housing Management Board - Housing Revenue Account

Revenue Budget 2011/12 - Carry Forward Requests

Request to Carry Forward Housing Revenue Account Budgets from 2011/12 into 2012/13 and future years

Item		Request £
	Director of Customer and Community Services	
	Supervision and Management General	
1	A carry forward is requested to meet the HRA's contribution to the remaining IT investment associated with the Customer Service Centre project.	15,000
2	Carry forward of the balance of under-occupation scheme funding into 2012/13 is requested, to allow any applications made in 2011/12 to be met.	12,120
	Supervision and Management Special	
3	Funding was approved in 2011/12 to support the work associated with tendering for support services. The extension of the existing sheltered support contracts by one year means that the majority of this work will now take place during 2012/13.	11,200
	Repairs and Maintenance	
4	The PTR programme for 2011/12 was not fully delivered as a direct result of the timing of the start of the new planned	468,170
5	The fire safety risk assessment allocation was not fully spent in 2011/12 due to the timing of the implementation of a contract with a new supplier, following the insolvency of the previous supplier. Funding is requested to be carried forward into 2012/13 to complete the backlog of assessments.	63,000
6	The electrical testing programme was not fully completed for 2011/12 due to contractual handover, with a request to carry forward resource into 2012/13, to fulfil this obligation.	76,000
7	The lift inspection programme was ordered, but not fully undertaken, for 2011/12, with a request to carry forward resource into 2012/13, to fulfil this obligation.	59,000
	Appropriations	
7	Slippage in the Housing Capital Programme in 2011/12 due to the introduction of a new planned maintenance partner has resulted in a lower level of revenue funding of capital expenditure than anticipated. Re-phasing of the expenditure into 2012/13 is expected to result in the need to increase the proposed use of DRF in the new financial year.	1,148,790
		1,853,280

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To: Executive Councillor for Housing (and Deputy Leader): Councillor Catherine Smart
Report by: Julia Hovells, Business Manager
Relevant scrutiny committee: Housing Management Board 19/6/2012
Wards affected: All Wards

Re-procurement of third party Housing Cash Collection Service for rent and service charges Not a Key Decision

1. Executive Summary

1.1 In preparation for the end of an existing contract, permission is sought to enter into a competitive process, awarding a contract to secure a supplier for the continued provision of a housing rent and service charge collection service from 25th January 2013.

2. Recommendations

The Executive Councillor is recommended:

2.1 To delegate authority to the Director of Customer & Community Services to determine the most appropriate procurement route, to invite competitive tenders (or undertake a mini competition from an existing framework) in accordance with the Council's Contract Procedure Rules and thereafter to award a three-year contract (with a one plus one year extension at the Council's option) for the provision of an external cash collection service for payment of rent and service charges.

3. Background

3.1 For many years tenants, and more recently leaseholders, have been afforded the opportunity to make rent and service charge payments in various outlets in the tenants and leaseholders' local area. The service has allowed payments to be made in a variety of locations, including post offices, shops and petrol stations.

3.2 To avoid the need to have a contractual relationship with each outlet, the cash collection service is managed and administered on behalf of

the Council by a third party. The third party supplier make a charge per transaction administered, while also earning interest on the monies collected on behalf of the Council for a specified number of days before transferring the funds directly into our bank account.

- 3.3 The current provider supplies a unique swipe card to each customer, with a charge for the production and posting of the card at the start of every tenancy, or by officer request for a leaseholder. This card is also used to identify the correct account when payments are made at the Council's cash offices.
- 3.4 This service, alongside the ability for payment to be made to the Council by direct debit, at the Councils' cash offices, by telephone and on-line via the Council's web site, ensures choice and convenience for both tenants and leaseholders, with approximately 1,900 transactions via this method per month.
- 3.5 The existing contract, with AllPay.net, which also allows payment to be made by telephone, on-line or by text should we so choose, is due to expire on 24th January 2013, following a single year extension of an initial three-year contract effective from 25th January 2009.
- 3.6 The existing contract price is variable, with costs dependent upon transactional activity. However, assuming both transaction volumes and interest rates in line with those experienced in 2011/12 the estimated total contract value over a five-year term (three, plus one, plus one) is £75,000.
- 3.7 The table below details the activity in relation to the contract for the financial year 2011/12.

Service	No. of outlet transactions	No. / Value of other transactions	Other Chargeable Services
Post Office	17,493		
Pay Point	4,893		
Debit Cards		375	
Credit Cards		£5,365.80	
Returned Cheques			3
Returned Letters			33
New Cards			867
Replacement Cards			499
Total	22,386		

NB: Credit cards are charged on a percentage basis of the amount processed rather than by the number of transactions taken.

4. Implications

(a) Financial Implications

4.1 Budgetary provision of approximately £18,000 per annum exists in the Housing Revenue Account to meet the costs of the existing or any future cash collection contract.

4.2 The value of a three-year contract, with an option to extend for up to two further years, is estimated to be in the region of £75,000. This comprises both the anticipated transactional costs of £72,000, which will be funded from the budget identified in paragraph 4.1 and the opportunity cost of the loss of interest incurred by the supplier holding our payments for a specified number of working days after receipt of cleared funds, estimated to be in the region of £3,000 across the five year period.

(b) Staffing Implications

There are no direct staffing implications for the Council in relation to this contract. Confirmation will however be sought from the incumbent supplier that TUPE will not apply for any staff employed by them in relation to this contract.

(c) Equal Opportunities Implications

An EQIA will be undertaken as part of the contract tender process, with details made available upon request.

(d) Environmental Implications

There are no direct environmental implications associated with this report.

(e) Consultation

No specific consultation has been undertaken in relation to the re-procurement of this contract. However, a tenant or leaseholder representative will be invited to form part of the project team for the tender and selection process.

(f) Community Safety

There are no direct community safety implications associated with this report.

5. Background Papers

(a) These background papers were used in the preparation of this report:

- 2011/12 Budget and Outturn Reports
- 2011/12 Transaction Analysis from AllPay.net

6. Appendices

(a) None

7. Inspection of Papers

To inspect the background papers or if you have a query on the report please contact:

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To: Executive Councillor for Housing (and Deputy Leader): Councillor Catherine Smart
Report by: Liz Bisset
Relevant scrutiny committee: Housing Management Board 19/6/2012
Wards affected: All Wards

TENANCY POLICY Not a Key Decision

1. Executive summary

- 1.1 This report recommends a Tenancy Policy for the City Council in the context of the new Affordable Rents regime and the new flexibilities around the length of tenancy to be offered.
- 1.2 The Policy covers:
- a) Introductory tenancies.
 - b) Security of tenure.
 - c) Affordable rents.
 - d) Succession rights.

2. Recommendations

The Executive Councillor is recommended:

- 2.1 To agree the Tenancy Policy.
- 2.2 To agree to the Tenancy Policy being reviewed during 2012 -13.

3. Background

- 3.1 Under the new Tenant Services Authority (TSA) Regulatory Framework for Social Housing in England, all Registered Providers, including Cambridge City Council as a provider of Council housing, are required to issue 'clear and accessible policies which outline their approach to tenancy management', including, amongst other things, their approach to granting tenancies.
- 3.2 This proposed Tenancy Policy outlines Cambridge City Council's approach to the types and length of tenure to be offered within the context of the new national Affordable Rents regime and new powers to offer fixed term rather than secure

tenancies. It has been drawn up in the context of a proposed Tenancy Strategy for Registered Providers operating in the City, which is being considered by the Executive Councillor and Community Services Scrutiny during this committee cycle and is attached as Appendix 1.

- 3.3 This Tenancy Policy does not include the granting of licences to occupants of the Council's designated temporary or move-on accommodation for homeless households. The Council's approach to other aspects of tenancy management can be found in its range of other tenancy management policies.
- 3.4 A Tenancy Policy on the approach to granting tenancies is required to be in place during 2012, but owing to the short timescales given there hasn't been time to fully explore the issues or consult on it in a meaningful way. Therefore, this proposed Policy will be reviewed during 2012 -13, giving tenants and applicants on the housing register the opportunity to influence the policy in an informed way. As well as reviewing the type and length of tenancies to be used in the future, a decision will also be made at that stage on how frequently the policy should be reviewed.

The following outlines our policy on the type and length of tenure to be used for Council tenancies. Most of it is already encompassed in the Council's existing policies. This Policy should be read within the context of the proposed Tenancy Strategy, Cambridge sub-regional Policy, and Cambridge City Council's own Lettings Policies.

3.5 **Introductory Tenancies**

Except for where transferring from a secure tenancy, or an assured tenancy with a registered social landlord (but not an assured shorthold tenancy), new tenants will be offered an Introductory Tenancy for a period of one year.

3.6 **Security of Tenure**

On satisfactory completion of an Introductory Tenancy, or on transfer from another secure or assured tenancy (although not a secure shorthold tenancy) the Council will continue to offer all of its tenants a secure tenancy. The Council will not offer short-term flexible tenancies, although this decision, and the Tenancy Policy as a whole, will be subject to future review during 2012 -13.

3.7 **Affordable Rents**

New homes built by the Council with grant funding from the Homes and Communities Agency will, in most cases, as a condition of the grant, need to be offered at an Affordable Rent. The Council will continue, as far as possible, to let its homes on Social Rents, as they are currently more affordable than Affordable Rents. Existing homes built without the grant requirement to offer Affordable Rents will continue to be let at Social Rents, unless it's considered appropriate, in exceptional circumstances, to negotiate arrangements with the HCA to convert some existing homes to Affordable Rents in place of offering all new homes built by the Council at Affordable Rents. An example of where this may be considered appropriate could be where the sustainability of a new development is significantly threatened by all the homes being let at Affordable Rents, or where a scheme is built with the intention of enabling tenants to down-size to a smaller home but the rent levels are likely to significantly discourage this from happening.

3.8 Succession rights

The following arrangements will continue to apply if a tenant dies:

For secure tenants: For secure tenants with a joint tenancy, if one tenant dies then the surviving tenant(s) will automatically take on the tenancy.

For a secure tenant who is a sole tenant who has not succeeded to the tenancy, the tenancy can be passed on to the tenant's spouse or civil partner, provided they are living with the tenant when the tenant dies. If there is no spouse or civil partner, then certain members of the family may succeed to the tenancy, provided they have been living with the tenant for at least 12 months at the date of the tenant's death.

For introductory tenants: For introductory tenants with a joint tenancy, if one tenant dies the surviving tenant(s) will automatically take on the tenancy.

For an introductory tenant with a sole tenancy who has not succeeded to the tenancy, the tenancy can be passed on to the spouse or civil partner provided they are living with the tenant when the tenant dies. If there is no spouse or civil partner, then certain members of the family may succeed to the tenancy provided they have been living with the tenant for at least 12 months at the date of death.

The tenancy will become secure at the end of the introductory period (or any extension of the introductory period) provided that no steps have been taken to end the tenancy.

For demoted tenants: For demoted tenants with a joint tenancy, one tenant dies the surviving tenant(s) will automatically take on the tenancy.

For a demoted tenant with a sole tenancy who has not succeeded to the tenancy then the tenancy can be passed to the spouse or civil partner, provided they have been living with the tenant for at least 12 months at the date of death. If there is no spouse or civil partner, then certain members of the family may succeed to the tenancy provided they have been living with the tenant for at least 12 months at the date of death.

The tenancy will become a secure tenancy at the end of the demotion period provided that no steps have been taken to end the tenancy.

For all tenants: If there is no right of succession under the above policy, the Council will offer advice and support to help the person or household to find suitable alternative accommodation, taking into account the circumstances of the people concerned. The Council may consider, where appropriate, re-letting the home or offering a new home to a vulnerable occupant through the Council's Lettings Policy.

4. Implications

(a) Financial Implications

There are no specific financial implications of this report.

(b) Equal Opportunities Implications

There are no specific Equal Opportunities implications of this report.

5. Appendices

Appendix 1 – Cambridge City Council's draft Tenancy Strategy.

6. Inspection of papers

To inspect the background papers or if you have a query on the report please contact:

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Cambridge City Council

Tenancy Strategy 2012 Onwards

CONSULTATION DRAFT

May 2012

1. Introduction

The coalition government has given Registered Providers (RPs) the power to grant fixed term tenancies on new Affordable Rents, at up to 80% of market rents.

The Localism Act 2011 requires each local authority, in its strategic role, to have a Tenancy Strategy setting out the issues which Registered Providers operating in the local area must have regard to when deciding the type tenancies to offer, the circumstances in which they will offer a tenancy of a particular kind, the length of any fixed term tenancy, and the circumstances in which they will grant a new tenancy when a fixed term tenancy comes to an end.¹

Each Registered Provider must in turn have its own Tenancy Policy which outlines its approach to letting tenancies, having regard to the Local Authority's Tenancy Strategy.² Cambridge City Council, as a stock-holding authority and the largest RP in the City, is developing its own Tenancy Policy within the context of this broader Tenancy Strategy.

Appendix 1 to this Tenancy Strategy gives a summary of the consultation questions. Appendix 2 is a glossary of terms, and Appendix 3 gives additional data used in developing the Strategy

2. Consultation

Copies of this draft Tenancy Strategy will be sent to all Registered Providers operating within the City of Cambridge.

A list of consultation questions is at Appendix 1.

Consultation will run from **4th to 30th May 2012.**

3. Government Policy

¹ Localism Act, Chapter 2: <http://www.legislation.gov.uk/ukpga/2011/20/contents/enacted>

² Tenant Services Authority Regulatory Framework:
<http://www.tenantservicesauthority.org/server/show/ConWebDoc.20175>

In November 2011 the government published a new national housing strategy, Laying the Foundations.³ It is aimed at investing in housing for the purposes of social mobility, health and well-being, and to stimulate economic growth.

Affordable Rents have been introduced to help meet these aims. These are to be set at up to 80% of local market rents, with the additional revenue raised to be re-invested in providing new Affordable Housing. To access Affordable Housing grant through the Homes and Communities Agency (HCA), registered providers will be required to let the new homes at Affordable Rents. Existing homes may also be converted to Affordable Rents when they are re-let, subject to agreement with the HCA.

The government has also introduced new flexibilities to enable RPs to offer Fixed Term Tenancies, rather than having to give tenants security of tenure.

At the same time, the government is implementing fundamental reforms to the welfare benefits system, including reductions in the Local Housing Allowance payable to tenants in the private rented sector, reductions in benefits available to social tenants who are deemed to be under-occupying their homes, and the introduction of a new Universal Credit as a single welfare payment for benefit claimants of working age.

4. Cambridge City Council's Strategic Aims

Part of the Council's vision is for a City which recognises and meets the need for housing of all kinds.

This Tenancy Strategy has been developed alongside a review of the Council's Housing Strategy, and within the context of the following key objectives, to:

- Increase the supply of good quality, energy efficient affordable housing
- Create mixed and sustainable communities
- Make best use of existing homes
- Promote community cohesion
- Prevent homelessness and rough sleeping
- Promote sustained and settled lifestyles and minimise social exclusion
- Ensure that housing meets a range of specialist needs

³ Laying the Foundations, national housing strategy:
<http://www.communities.gov.uk/publications/housing/housingstrategy2011>

- Understand the dynamics of the local housing market and use that information to influence the delivery of new homes and housing related services

Within the context of these objectives, the following priorities in the revised Housing Strategy are relevant to this Tenancy Strategy:

- Maintain an appropriate balance of sizes, types and tenures of homes
- Ensure that Affordable Housing remains as affordable as possible to local people
- Maximise the positive and minimise the negative impact of growth on existing homes and communities
- Increase access to the private rented sector for those who are homeless or at risk of homelessness and those on welfare benefits
- Support vulnerable households and chronically excluded adults in accessing and retaining suitable housing and in moving on from temporary accommodation
- Ensure appropriate housing is available so that older people who wish to move have a range of housing options to choose from
- Promote and support home energy improvements across all tenures
- Support the improvement of health outcomes for older and vulnerable people
- Develop methods of forecasting and measuring the impact of national change on the local housing market –particularly in relation to Welfare Reform and Affordable Rents.
- Develop a Tenancy Strategy advising local Registered Providers on what the Council expects in relation to use of Affordable Rents and fixed term tenancies

5. Cambridge City – Local Context

Cambridge has a thriving, buoyant and dynamic economy, with high house prices, high private rental costs, and high demand for housing of all tenures.

Housing in Cambridge has an important part to play in supporting both the local and national economy, as well as being critical in promoting well-being and achieving positive health outcomes. It is important to maintain a mix of different types of sizes, types and tenures of housing, including Affordable Housing, to meet a wide range housing needs.

Statistical information used to inform this Tenancy Strategy is given in the text, and in more detail at Appendix 3. Further details are available in the Cambridge sub-regional Strategic Housing Market Assessment.

6. Affordability of Housing

- Around 60% of applicants on the Home-Link housing register are thought to have household incomes of under £15,000 per year, and with average income levels considerably lower than the Cambridge population as a whole.
- Only 18% of Housing Register applicants are estimated to have sufficient incomes to be able to afford 80% of the market rent on a one-bedroom home, reducing to 13% for a two-bedroom and 9% for a three-bedroom room home.

The Council recognises that Affordable Rents are being introduced to raise funds for the delivery of new Affordable Housing, and that developer viability will be a factor in the setting of rent levels. The Council wants to continue to ensure that RPs are able to provide appropriate levels of Affordable Housing.

However, the Council also wants to ensure that Affordable Housing is as affordable as possible to local people. Although we recognise that the Council cannot specify rent levels, we expect RPs to take affordability into account when deciding on the rent and service charge levels to apply.

At the same time the Council does recognise that the cost of running a home may also be relevant when assessing affordability, and that higher rents may be partly offset by high levels of energy efficiency provide good levels of affordable warmth.

The Council itself, through its own newbuild programme, has demonstrated to the Homes and Communities that 80% of market rents in the City would be unaffordable to most people on the Housing Register, and that rent levels should be around 65% of market rents and as close to Local Housing Allowance rates as possible.

The impact of welfare reform will also affect affordability of housing, and the Council will, with its sub-regional partners, continue to review and improve its affordability data.

The Council is keen to work with RPs and the HCA to achieve a balance between increasing supply and ensuring that rented homes are affordable to applicants on the Housing Register.

7. Increasing the Supply of Affordable Housing in Cambridge

- The ratio of average house prices to average incomes in Cambridge City stands at around 9:2
- Private rent levels are also high, with median rents being around £725 per month on a one bedroom property, and £875 on a two bedroom home. Local Housing Allowance is not sufficient to cover the rent on any of the private rented homes in the City.
- 2,140 new Affordable Homes would need to be built in the City each year over the next five years to meet existing and newly arising housing need.

The Council recognises that many RPs in the City operate in other parts of the Eastern Region and beyond, and that they will want to provide homes outside of the City. However, with high levels of Housing Need in Cambridge the Council's preference would be for the funding raised through charging Affordable Rents in the City to be used to fund new Affordable Homes within and/or on the urban fringes of Cambridge.

8. Type of Tenancy

The Council's preference is for Lifetime tenancies, to promote settled lifestyles and achieve and maintain sustainable communities. However, we do recognise that some RPs may wish to use flexible tenancies in order to re-base rents after a period of time.

9. Length of Tenancy

- Although nationally there is relatively high turnover of social housing in the first four years, at around 36% (including transfers), 65% of tenants nationally have remained in their homes for five years or more, and 43% have stayed for ten years or more

Two-year tenancies should be an absolute exception – eg for designated supported move-on accommodation where it is anticipated that the tenant will be able to live independently after two years.

In all other cases, tenancies should be for a minimum of five years, and preferably longer.

Question 1: Are there other circumstances where, in your view, it might be appropriate to offer a tenancy for less than five years duration? If so, please specify what these might be.

10. Renewal of Fixed Term Tenancy

The Council expects fixed term tenancies to be renewed at the end of the fixed term, other than in exceptional circumstances. It would be acceptable to decide **not** to renew a tenancy in the following circumstances:

- Where the tenant wishes to end the tenancy at that point
- In the case of homes with 4 or more bedrooms, where the home is now larger than required by the household
- The home contains significant disabled adaptations which are no longer required by that household, and the adapted home would meet the needs of another household on the housing register
- In the case of designated move-on accommodation where the tenant is now able to live independently in more permanent accommodation

The Council would prefer RPs not to base decisions on whether to renew tenancies on grounds of breach of tenancy conditions, as there are other tools available to RPs to tackle such issues.

The Council does not want tenants to be disincentivised from bettering their circumstances, and therefore would not be supportive of the approach of deciding not to renew a tenancy on the basis that the tenant had gained work or otherwise improved their financial circumstances.

Question 2: Are there other circumstances where it might be appropriate not to renew a tenancy at the end of the fixed term? If so, please specify.

11. Where a tenancy is not to be renewed

Where a tenancy is not to be renewed, the Council expects the RP to provide advice and support to the tenant in finding suitable alternative accommodation. The Council would be supportive of RPs using the private rented sector to meet housing needs, provided the tenant or a member of his/her household is not considered vulnerable. The Council plans to do more work with landlords, letting agencies and other partners to identify private sector housing options for people in housing need, and would welcome the involvement of RPs in this work.

12. Conversions to Affordable Rent

- There are an estimated 11,700 social homes in Cambridge; around 62% are owned by Cambridge City Council, and 38% by Private Registered Providers (Housing Associations).
- As well as 9,924 general needs homes to let owned by RPs in the City (including the Council), there are also 1,099 homes for older people, and 677 homes let as supported and/or or temporary accommodation. Temporary accommodation and some of the supported housing may be let on licences, and therefore not eligible to be let at Affordable Rents.

The Council recognises that RPs may wish to convert some existing homes to Affordable Rent to raise money for new Affordable Housing. In doing so, the Council expects RPs to do the following:

- Maintain a mix of tenure types in different parts of the City
- Maintain a mixture of sizes and types of housing available in different parts of the City so that existing tenants with security of tenure are able to move locally or to other areas without losing that security
- Ensure, as far as possible, that housing remains affordable to local people (see above)

We will continue to assess what is an appropriate mix in the context of local housing need. We do not intend, at this stage, to specify a maximum percentage of homes to be converted to Affordable Rents. However, we intend to monitor the impact of Affordable Rents combined with other national and local policies, and do not rule out specifying a maximum conversion rate in the future.

Question 3: Does this give an appropriate framework for RPs to make decisions on conversions to Affordable Rent? If not, what further information would be helpful?

13. Under-Occupancy

- Nationally around 670,000 households of working age are expected to be affected by reductions in housing benefit for those deemed to be under-occupying their homes. It is unclear how many social rented homes in Cambridge are currently 'under-occupied', or how many will be affected by the welfare benefit change.

Whilst, in tackling under-occupancy, the Council wants to restrict the decision not to renew a fixed term tenancy to homes of 4 bedrooms or more, we do support RPs in taking positive action to help tenants to move to smaller accommodation where tenants wish to do so. This will become increasingly important in the light of the planned reductions in benefits for those deemed to be under-occupying their homes. The Council would like to work more closely with RPs in the City in tackling under-occupancy in order to make better use of existing homes.

Question 4: Would RPs be interested in working more closely with the Council to tackle under-occupancy in the City?

14. Lettings Policy and Operation of Home-Link

The sub-regional lettings policy, and the lettings policy for Cambridge are currently being reviewed, and will need to take into account the introduction of Affordable Rents and Fixed Term Tenancies, as well as other national policy issues.

The Home-Link application and lettings process is also being reviewed to allow for the new types of tenancy to be let appropriately.

15. Local Lettings Plans

The Council will continue to use local lettings plans to inform the letting of homes on new developments.

16. Monitoring and Review

The Council will continue to monitor the impact of Affordable Rents, fixed term tenancies and other national and local policies on the housing market, both internally and through the sub-regional Strategic Housing Market Assessment. We will actively encourage the input of providers into this process, to ensure that sufficient and appropriate information is available.

This Strategy will be reviewed periodically in light of this market information.

17. Improving Joint Working

The Council has historically had a good working relationship with Registered Providers operating in the City. However, we want to improve this further, and

Question 5: Would RPs be interested in working more closely with the Council on implementing and reviewing this strategy? If so, please give any suggestions you might have on how to take this forward.

involve RPs more closely in the implementation and future review of this strategy. We would also welcome views from RPs on whether there are particular areas where better joint working would be beneficial.

18. Equalities

An Equality Impact Assessment will be carried out on this draft Strategy to ensure that the needs of all groups are taken into account in the Strategy, and that particular groups of people are not adversely affected by it.

Cambridge City Council expects RPs to carry out Equality Impact Assessments on their own Tenancy Policies.

19. Further Data and Information

Question 6: Is there further data or information in addition to what is available in Appendix 3, which RPs would find useful in developing and reviewing their Tenancy Policies? If so, please give some indication of what might be useful.

Appendix 1 - Consultation Questions

Question 1: Are there other circumstances where, in your view, it might be appropriate to offer a tenancy for less than five years duration? If so, please specify what these might be.

Question 2: Are there other circumstances where it might be appropriate not to renew a tenancy at the end of the fixed term? If so, please specify.

Question 3: Does the information provided give an appropriate framework for RPs to make decisions on conversions to Affordable Rent? If not, what further information would be helpful?

Question 4: Would RPs be interested in working more closely with the Council to tackle under-occupancy in the City?

Question 5: Would RPs be interested in working more closely with the Council on implementing and reviewing this strategy? If so, please give any suggestions you might have on how to take this forward.

Question 6: Is there further data or information in addition to what is available in Appendix 3, which RPs would find useful in developing and reviewing their Tenancy Policies? If so, please give some indication of what might be useful.

Question 7: Please let us know if you have any further comments to make on this Strategy?

Appendix 2 - Glossary of Terms

Term	Definition
Affordable Housing	<p>Affordable housing includes social rented, affordable rented and intermediate housing, provided to eligible households whose needs are not met by the market. Affordable housing should:</p> <ul style="list-style-type: none"> ▪ Meet the needs of eligible households including availability at a cost low enough for them to afford, determined with regard to local incomes and local house prices ▪ Include provision for the home to remain at an affordable price for future eligible households or, if these restrictions are lifted, for the subsidy to be recycled for alternative affordable housing provision.
Affordable Rent	<p>Rented housing provided by Local Authorities and Private Registered Providers of social housing to households that are eligible for Social Rented housing. Affordable Rent is subject to rent controls that require a rent of no more than 80% of the local market rent (including service charges, where applicable).</p> <p>From April 2012, most new homes funded by government grant have to be offered at Affordable Rents, to generate funding for further new Affordable Housing. Some existing Social Rent homes may also be converted to Affordable Rents in agreement with the Homes and Communities Agency.</p>
Fixed Term Tenancy	<p>A tenancy which runs for a fixed period of time and is reviewed, and either renewed or terminated, at the end of the fixed term. From April 2012, Councils and Housing Associations are able to offer fixed term tenancies instead of having to offer long-term security of tenure as previously required.</p>
Local Housing Allowance (LHA)	<p>LHA is used to calculate how much Housing Benefit a tenant in the private rented sector will be</p>

	entitled to. LHA rates are set at different rates for different sizes of accommodation in different local areas.
Local Lettings Plan	Details how homes will be let in a particular area or development
Registered Provider (RP)	Providers of social housing. Includes Private Registered Providers (Housing Associations) and Councils – including Cambridge City - who still have their own housing stock.
Strategic Housing Market Assessment	A collection of data and survey information about all parts of the local housing market. The Cambridge SHMA covers the Cambridge housing sub-region, and helps in planning for housing and related services in the area.
Tenancy Policy	A policy which, under the Regulatory Framework for Social Housing in England, Registered Providers are required to have in place showing various information, including: the types of tenancy they will grant, the length of any fixed terms, circumstances in which fixed term tenancies will/ will not be renewed etc
Tenancy Strategy	A document which, under the Localism Act, all local authorities are required to produce, setting out the matters to which Registered Providers operating in the area are to have regard to in formulating policies relating to: <ul style="list-style-type: none"> ▪ The kinds of tenancies they grant ▪ The circumstances in which they will grant a tenancy of a particular kind ▪ Where they grant a tenancy for a ‘term certain’ (ie a fixed term), the lengths of the terms, and ▪ The circumstances in which they will grant a further tenancy at the end of a fixed term.
Universal Credit	A single welfare payment for working age claimants, to be introduced from 2013 to replace the range of existing benefits payable

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To: Executive Councillor for Housing (and Deputy Leader): Councillor Catherine Smart
Report by: Director of Customer and Community Services
Relevant scrutiny committee: Community Services Scrutiny Committee 19/6/2012
Wards affected: All Wards

Supporting People Tender Not a Key Decision

1. Executive summary

- 1.1 The Supporting People contract with the County Council for the provision of support to Older People was extended by one year to March 2013.
- 1.2 It is likely that these contracts will now be tendered in the late Summer/Autumn 2012 and the City Council seeks to update its authority to tender and enter into a new contract commencing April 2013 should the tender be successful.

2. Recommendations

The Executive Councillor is recommended:

To extend the decision of HMB on 14th June 2011 to authorise the Director of Customer and Community Services to:

- 1) Select the most appropriate option for the future provision of support services in sheltered housing.
- 2) To submit tenders in response to the appropriate tender advertisements by the County Council, for the continued provision of support services.
- 3) To enter into a contract with the County Council for the provision of support to Older people, in accordance with the tender specification, should any tender be successful.

3. Background

On 14th June 2011 HMB approved a report authorising the Director Of Customer and Community Services to tender for the continuation of the County Council's Supporting People contracts.

Since that report, the County Council decided to extend the contract for Older Peoples Services to March 2013.

Housing support is an integral feature in providing good quality services for older people, preventing social isolation and contributing towards independent living.

Since that report, the County has reduced the amount they pay per client from £14.13 to £10.46 in category II schemes and £9.00 per week in category I schemes (on a 48 week basis) and the city continues to provide this service to 468 households.

The provision of shared services with South Cambs was explored last year, but discontinued by the County Council at the time.

The City Council continues to explore new ways of working to meet the requirements of the County Council's Supporting People Strategy and to maximise opportunities for community cohesion particularly with regard to services for older people.

The County Council has now set up a project team to explore how Older Peoples Support Services may be delivered, and as a result tendered in the future, and we anticipate that the tender will be advertised some time between June and November 2012.

As a result, the Executive Councillor is asked to continue to authorise the Director of Customer and Community Services to tender for and enter into, as necessary, a contract with the County Council to provide support services to Older People within the City.

4. Implications

(a) Financial Implications

The City Council receives approximately £220,000 per annum for the provision of support services in sheltered housing across the city, from a combination of Supporting People funding and client contributions from those deemed able to meet the costs themselves.

The loss of contracts for the provision of support services in council owned sheltered housing would, in addition to having a detrimental impact on the delivery of the overall housing service to sheltered residents, result in the need to restructure services, potentially incurring a cost of change. Any costs to the City Council would be dependent upon the outcome of TUPE negotiations with any new support provider.

(b) Staffing Implications

There is likely to be implications for staff, who will be kept fully informed and be formally consulted with, at appropriate stages in line with TUPE regulations, if this applies.

(c) Equal Opportunities Implications

An EQIA has been undertaken and details are available upon request.

(d) Environmental Implications

There are no direct environmental implications associated with this report.

(e) Consultation

Staff continue to actively engage with tenants in Older people's Housing to ensure that they are updated with progress about the county council's intentions.

Two further member briefings are scheduled.

Staff are updated regularly through one to one's and regular meetings.

Some wider consultation with key partners will take place when the County Council's plans are known.

(f) Community Safety

Upon receipt of the tender information, issues in relation to Community Safety and site security will be considered.

5. Background papers

(a) Equality Impact Assessment

6. Appendices

(a) HMB report dated June 2011

7. Inspection of papers

To inspect the background papers or if you have a query on the report please contact:

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